

Climate Times

ENE's Monthly Report from Eastern Canada

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Second New Brunswick Oil Refinery Axed

Plans to develop a second oil refinery near Saint John, New Brunswick have been cancelled due to current market conditions, in particular high capital costs and lower demand forecasts for petroleum products. Irving Oil stated that since 2006, demand for gasoline has declined each year, reversing an annual growth rate of 1-2% in the 30 years prior to 2007.

The project, valued at between \$7-\$8-billion, was to be developed by Irving Oil and BP PLC and would have

increased refining capacity in the province by 300,000 barrels per day, doubling Irving's existing production. The refinery would have produced a variety of petroleum products for Canadian and U.S. markets.

Irving Oil said there is a "slim" chance the refinery will be revived in the future and is continuing with the environmental permitting process.

The Government of New Brunswick has said it will pursue and support other opportunities to position

itself as the energy hub for Atlantic Canada and the Northeast U.S., including investments in new renewables, a 500-600 MW natural gas-fired cogenerating plant, and transmission and pipeline infrastructure.

Sources:

<http://www.google.com/hostednews/canadianpress/article/ALeqM5hwXS4jNIIW0CgYcuoogJvofbsNXA>

<http://www.theglobeandmail.com/globe-investor/plans-shelved-for-new-saint-john-refinery/article1230778/>

ACES (Waxman-Markey) passed by U.S. House

On June 26, the U.S. House of Representatives passed the *American Clean Energy and Security Act of 2009* (formerly known as Waxman-Markey).

The landmark bill is touted as an important first step in developing a comprehensive energy and climate policy in the US that will build a foundation for investment in energy efficiency and clean energy.

ENE estimates that ACES will generate \$10-\$20-billion annually for energy efficiency programs that will save American consumers up to \$3 for every \$1 invested.

The Congressional Budget Office and EPA estimate that the bill would cost consumers less than 50 cents a day and that low-income consumers would not pay anything extra.

The Senate Environment and Public Works committee plans to release a discussion draft on September 8th and Senate Chairman Harry Reid has set a September 28th deadline for committee mark-ups.

ENE's updated summary of ACES (including final House amendments) is available at: <http://env-ne.org/resources/open/p/id/885/resource/ENE%20ACES%20Summary>

Nova Scotia Sets New Renewable Energy Targets

The Government of Nova Scotia has set new renewable energy targets for the province. By 2015, 25% of Nova Scotia's electricity will be supplied by renewable resources.

The Province has established a consultation process, headed by David Wheeler from Dalhousie University, to determine how best to achieve the target. Consultations are expected to be completed by the end of 2009.

Special consideration will

be given to the role of biomass and community-based renewables.

The former Conservative government, ousted in the June 2009 provincial election by the New Democratic Party, had recently established a goal of 25% electricity from renewables by 2020.

The NS Utility and Review Board recently turned down a request by NSPI to approve, in advance, a \$1-billion contract with NewPage Port Hawkesbury

Ltd and Strait Bio-Gen for a 25 year power purchase agreement, stating it lacks the authority to approve the deal. The parties proposed to generate electricity from a 60 MW biomass plant burning waste wood.

For more information, see: <http://www.gov.ns.ca/news/details.asp?id=20090728002>

<http://thechronicleherald.ca/Front/1134828.html>

<http://thechronicleherald.ca/Business/1133822.html>

NB Power Issues RFP for 100 MW Wind

In June, New Brunswick Power issued a Request for Proposals for up to 100 MW of new wind generation. The province has committed to have 400 MW of wind capacity by 2010.

Bids will be measured

based on electricity costs and other criteria, including the New Brunswick content (equipment, related services, etc.) included in the proposal.

It is estimated that the new capacity will cost

\$200-million to develop.

The RFP is available at: <http://www.tenders.nbpower.com/cgi-bin/tenders.exe?ACTION=RFP&LANG=ENG>

For more information, see: <http://www.gnb.ca/cnb/news/ene/2009e0850en.htm>

Governors' Renewable Energy Blueprint Update

In July, the New England (NE) states released an update with respect to the New England Governors' Renewable Energy Blueprint process, reflecting an ISO-NE economic study outlining possible renewables development and transmission scenarios for the region.

ISO-NE was instructed to: review resource potential in New England and surrounding jurisdictions

as well as transmission requirements; discuss cost-effectively integration of renewables into the NE grid; and, estimate total costs.

The transmission scenarios include:

1. 5,500 MW and 12,000 MW of wind from NE.
2. 5,500 MW of NE wind plus 3,000 MW imports from Quebec & New Brunswick.

3. 12,000 MW of NE wind plus 3,000 MW of imports from Quebec and New Brunswick.

4. 10,000 MW of wind from the Midwest.

The final NE Governors' Blueprint will be released this fall.

The Blueprint update and ISO-NE study results, including transmission scenario costs, are available at:

http://www.nescoe.com/Economic_Study.html

NBSO Seeks Stakeholder Input on Documents

The New Brunswick System Operator (NBSO) is seeking stakeholder input by August 31st on the following documents:

- Transmission Planning Methodology and Governance
- Transmission Planning Performance

Requirements

- Market Procedure (Connection Assessments)
- Market Procedure (Proposals to Address System Adequacy Issues).

Separately, the NBSO comment period on its

Connection Requirements Guide for Wind-Powered Generation in NB closed August 14.

For more information, see: <http://www.nbso.ca/public/en/op/market/notices/article.aspx?id=d6912659-5e56-421d-b12c-92be92af42a8>

Federal Gov't Releases Offset Rules & Guidelines

The Government of Canada has released two draft guides and an updated overview of its proposed offset program.

Public comments on (1) *Program Rules and Guidance for Project*

Proponents, and (2) *Program Rules for Verification and Guidance for Verification Bodies* were due August 12, 2009.

Examples of possible offset project types are included in the guides.

Final versions of the guides are expected to be published in the fall.

For more information, see: <http://www.ec.gc.ca/credit/scompensatoires-offsets/default.asp?lang=En&n=0DCC4917-1>

Hydro-Québec Releases 2009-2013 Strategic Plan

On July 30, Hydro-Québec filed its strategic plan for 2009-2013 which outlines its plan to:

- Continue to develop major hydro projects, including the Romaine Complex and Petit-Mecatina.
- Increase wind capacity by 4,000 MW.

- Invest \$7.8-billion in transmission infrastructure to integrate new generation and increase connection capacity with New England.
- Focus on achieving its energy efficiency goals of 8 million MWh savings by 2013

and 11 million MWh savings by 2015.

- Implement a plan to support vehicle electrification.

Residential electricity rates are expected to increase by 6.7%.

For more information, see: http://www.hydroquebec.com/publications/en/strategic_plan/index.html

NESCAUM Report on Low Carbon Fuel Standard

On July 17, NESCAUM released a comprehensive report regarding a Low Carbon Fuel Standard (LCFS) for the U.S. Northeast.

Earlier this year the 10 RGGI states and Pennsylvania signed a Letter of Intent to develop a regional LCFS. California has adopted an

LCFS, intended to reduce the carbon intensity of transportation fuels by 10% by 2020.

The report is available at: <http://www.nescaum.org/>

Climate Times

This monthly e-newsletter focuses on energy and climate-related news regarding legislation, regulations, Request for Proposals, government programs, private sector initiatives, and other relevant announcements from Québec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador. It will also cover significant federal announcements and will occasionally reference actions from the U.S.-state side that impact provincial issues.

To subscribe (or unsubscribe) to our regular news feed and to pass along information that ENE may include in future issues, contact Leslie Malone, Policy Associate – Canada, at lmalone@env-ne.org or 902-628-1493.



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